

# Tandem Group plc

## AGM Statement

Chairman, Mervyn Keene, will make the following statement at today's AGM:

"Revenue for the 22 weeks to 31 May 2014 was approximately 26% ahead of the comparative period last year.

We reported on 4 April 2014 that revenue from our bicycles and accessories business for the first quarter of 2014 was ahead of the previous year. I am pleased to report that, despite a more challenging April and May, bicycles and accessories revenue for the 22 weeks to 31 May was approximately 6% ahead of the same period in the prior year.

In a competitive leisure cycling market, both our flagship brands of Claud Butler and Dawes have continued to perform well. The addition of new models for 2014, including lightweight junior cycles, cyclocross bikes and a more extensive ladies offering, has helped to enhance performance.

Our corporate bicycle ranges sold to national retailers are also performing strongly. Our Falcon, Townsend, Elswick, Boss, Zombie and British Eagle brands offer a compelling value proposition. As many independent bicycle dealers choose to stock higher end cycle models, our sales to national retailers have improved.

The Yorkshire Grand Départ of the 2014 Tour de France is likely to enhance summer sales and we have designed a number of promotional models to launch during the Tour.

In our sports, leisure and toys business, revenue for the 22 weeks to 31 May was approximately 62% ahead of the same period last year.

Our own brands of Hedstrom, Kickmaster, Ben Sayers, Stunted and Bored all performed strongly. In licences, revenue from our evergreen properties including Peppa Pig, Thomas the Tank Engine and Fireman Sam was ahead of last year and One Direction made a valuable contribution following the introduction of the range to the market in summer 2013.

Terms have been agreed on two exciting new licences based on the classic children's properties Thunderbirds and The Clangers for 2015 and beyond. Strong master toy licensees have been appointed for both properties who we expect to create substantial interest.

Although 2014 year to date performance has been very encouraging, this has been helped by better weather and an earlier intake of product by national retailers. The strong second half last year will therefore be a challenge to emulate. Nevertheless, our Autumn/Winter listings are promising and our hard working and dedicated employees continue to be focused on delivering profitability and growth for the Group.

In accordance with our announcement on 4 April 2014, a dividend of 2.3 pence per ordinary share will be paid on or around 13 June 2014 to shareholders that were on the register on 16 May 2014."

### **Enquiries:**

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